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Introduction

Misco Technologies Limited (“Misco” or “the Company”) is committed to achieving sustainable growth which is aligned to its ISO 14001 Environmental Management accreditation and its Environment Policy and Environmental Statement, as disclosed on the Misco intranet.

At Misco, our mission is to empower businesses and individuals by providing innovative IT solutions tailored to their unique needs. As a trusted IT reseller, we are committed to delivering top-quality products, unparalleled expertise, and exceptional customer service. We strive to foster long-term partnerships with our clients, guiding them through the ever-evolving technological landscape with integrity, transparency, and reliability. By staying at the forefront of industry trends and continuously expanding our offerings, we aim to be the premier destination for all IT procurement needs, driving success and growth for our customers in the digital age. We've got big, ambitious goals but we are mindful of our environmental, social and compliance responsibilities in the pursuit for sustainable growth.

This Sustainability Report is compiled, managed, and approved by the Environmental, Social and Governance Board (“ESG Board”). It is reviewed at least annually and is aimed at measuring the business’s environmental footprint and setting out the specific operational strategies that support sustainable growth.

The Report also addresses the Government’s Procurement Policy Note, PPN 06/21, to support the business’s target of at least a 100% reduction in its net carbon emissions, otherwise known as the “Net Zero” target.

Commitment to achieving Net Zero

Misco is committed to achieving net zero carbon emissions by 2030, 20 years ahead of the Climate Change Act 2008, as amended in 2019.



Emissions

Overview

Misco has analysed its emissions usage, otherwise known as its GHG inventory, by applying the principles of the revised edition of the World Resources Institute/ World Business Council for Sustainable Development’s GHG Protocol Corporate Accounting and Reporting Standard.

Data has been collected in respect of energy consumption at Misco’s two offices in Northampton and Wellingborough, and its warehouse facilities recently opened in Wellingborough. Data has also been analysed in relation to emissions from combustion of fuels in company vehicles. This represents the Company’s Scope 1 and 2 emissions, being those under the direct control of Misco and its business activities.



Misco has also analysed a defined subset of Scope 3 emissions in line with PPN-0621 to support the government’s commitment to continuing its efforts to reduce greenhouse gas emissions and deliver on its carbon budget commitments.

The Company has identified the following categories to report on under Scope 3 emissions:

Category	Description
3	Fuel & energy-related activities
4	Upstream Transportation & Distribution
5	Waste Generated in Operations
6	Business Travel
7	Employee Commuting
9	Downstream Transportation & Distribution

The calculation of GHG inventory for Scope 3 emissions is optional. However, given the direct relation between facility emissions and employee home working, this report has captured Scope 3 emissions from home working as an activity directly linked to reducing Misco’s carbon footprint.

For upstream and downstream transportation, the Company has analysed its fulfilment data for each individual sale made to customers. The Company has also liaised with its waste disposal providers to obtain weight data by each disposal method. An employee travel survey was again undertaken so that emissions from employee commuting to and from work can be measured.

The data aligns with the company’s financial reporting periods for years ending 31 December. To avoid double counting activities not under direct control of Misco, indirect emissions from the production of purchased materials and transport-related activities relating to the transportation of purchased materials or goods to our suppliers have been excluded from this Emissions Report.

Misco’s Emissions by Scope

Scope 1

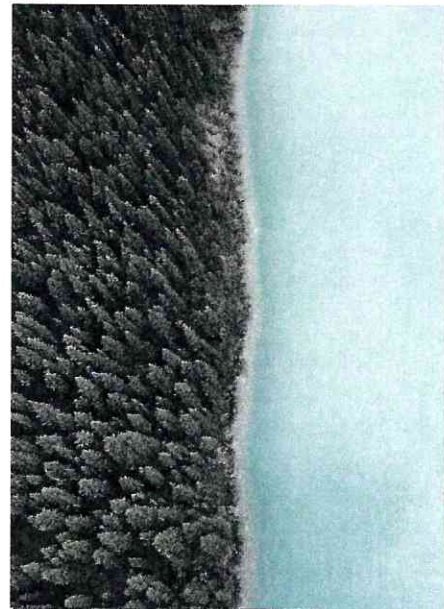
Direct emissions from natural gas consumption used in the heating system and transport related energy consumption for company vehicles.

Scope 2

Indirect emissions from the generation of purchased electricity.

Scope 3

This category includes all the emissions associated, not with the company itself, but that the organisation is indirectly responsible for, up and down its value chain. For example, from buying products from its suppliers, and from its products when customers use them.



Scope	Emissions Source	Consumption		Emissions (t CO2e)	
		2023	2022	2023	2022
1	Natural Gas consumption	137.6 KWh	130.9 KWh	25.2	23.9
1	Company vehicles	2,974 Litres	6,735 Litres	7.0	16.0
2	Electricity purchased	0.0 KWh	10.0 KWh	-	1.9
Total for Scope 1 & 2				32.2	41.8
3	Home Working	724 Days	620 Days	2.1	1.8
3	Waste Generated in Operations	8.10 tonnes	7.16 tonnes	0.2	0.2
3	Business Travel			6.5	2.7
3	Employee Commuting			42.9	40.8
3	Upstream Transportation & Distribution			9.9	9.1
3	Downstream Transportation & Distribution			9.9	9.1
Grand Total				103.6	105.5

Alongside total emissions figures, the ESG Board present intensity measures of emissions based on both the number of employees and total revenue. The ESG Board believe this gives a good indication of the performance of the sustainability initiatives taking into account the company's continuing organic growth.

Turnover £m	71.2	73.1
Average number of employees	81.3	79.6
Intensity total (tCO ₂ e per £1m of turnover)	1.46	1.44
Intensity total (tCO ₂ e per employee)	1.27	1.32

Baseline year emissions: 2021	
EMISSIONS	TOTAL (tCO₂e)
Scope 1	43.4
Scope 2	9.1
Scope 3	65.2
Total Emissions	117.7

Current Emissions Reporting

Reporting Year: 2023	
EMISSIONS	TOTAL (tCO₂e)
Scope 1	32.2
Scope 2	0.0
Scope 3	71.4
Total Emissions	103.6

Emissions Performance

Overall emissions have decreased in 2023 when compared to 2022 from 105.5 tonnes to 103.6 tonnes, a slight reduction of 2%. There has been only marginal movements in turnover and headcount and so intensity levels have broadly remain flat against last year. Given the investment made in the current infrastructure, the business expects for intensity levels to fall during 2024 should targeted growth in revenues and headcount be achieved.

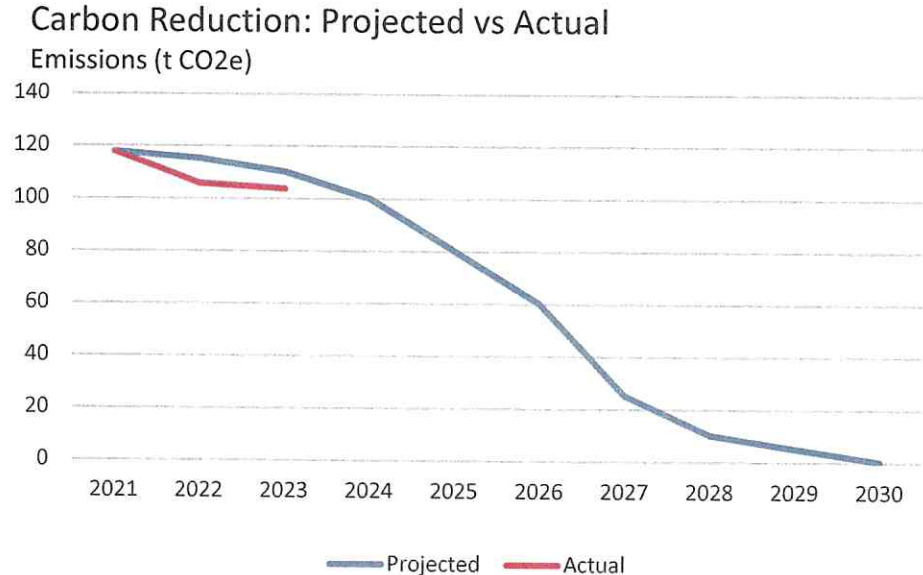
Furthermore, Misco re-located all staff to its Wellingborough office closing its Northampton office during the year. Therefore, the Wellingborough office continues to represent an investment for future growth, as the number of employees at this site has grown. This is expected to support further reduction in scope 1 emissions during 2024, whilst only marginally increasing emissions from employee commuting. Warehouse capacity is also under review which should support energy consumption reduction.

During 2022, the company switched its company car fleet policy to electric technology for all new leases. As a result of this, total emissions from company cars continues to fall. It is expected emissions from this activity will be virtually eliminated during 2024 in the next 18 months as fuel combusting vehicles are phased out completely.

Overall, Misco achieved its aim of reducing its emissions in 2024, albeit without material impact during the period. This is due to three main areas of challenge:

- (i) Natural gas consumption: All of Misco’s sites are leasehold and so making energy efficient alterations to the building is not possible. Current leasehold commitments are not due to expire until 2026.
- (ii) Employee commuting: There has been little adoption of electric vehicles by employees, hindered by the government delaying the ban of fossil fuel vehicles to 2035.
- (iii) Transportation & Distribution: There is limiting data or widespread action on emissions and Misco continues to work with its suppliers to build momentum in this area.

Progress against overall targets can be seen in the graph below:



Sustainability Initiatives

Misco is striving to achieve its “Net Zero” target by 2030 and has already initiated energy efficient methods of operation. The business has also identified further future initiatives designed to reduce its carbon emissions and wider environmental impact.

Misco plan to use a combination of carbon reduction and offsetting to achieve carbon neutrality well ahead of its target. The use of carbon offsetting will reduce over time, as the carbon reduction strategies take effect.

Subsets of Scope 3 have now been incorporated into our reporting, and Misco will continue to monitor and plan strategies to reduce carbon emissions across all emission sources.

Our sustainable initiatives are set out below.

During 2023

- Consolidate offices into one main site, eliminating spare capacity and improving efficiencies
- Continue to switch to low energy LED lighting across both sites as replacements are required to further reduce energy consumption
- Further shifting to a green kitchen by eliminating disposable cutlery and biodegradable coffee pods
- Eliminate paper towels from all office toilets in place of automated hand air dryers
- Continue to phase out fossil fuel vehicles from the company car fleet
- Engage with employees on the travel survey results and encourage car sharing activities
- Provision of cycle to work scheme
- Engage with Misco’s top suppliers on sustainability plans, share initiatives and gain better insight on scope 3 emissions

Future Potential Initiatives

- Investigate a company-wide salary sacrifice scheme for electric vehicles to support employees switching to lower carbon commuting
- Utilising low power computing devices across Misco sites
- Continue to reduce printer estate across the business
- Elimination of single use plastics in offices (inc. any branded items, consumable items, water bottles etc)

Other Misco Carbon Reduction Initiatives

Misco is an IT Value Added Reseller (VAR) and has introduced a wide range of low-to-zero carbon, refurbished technology solutions to its product offering. This allows Misco’s customers to purchase IT equipment with a much lower impact on the environment.

Misco works in partnership with KOcycle, an IT Asset Disposition specialist, who collect redundant IT equipment for refurbishing and re-purposing, or responsible recycling from Misco clients. They are committed to zero percent landfill who are focused on carbon neutrality, planting trees for each collection made through One Tree Planted. These trees will help offset the carbon emitted by collecting & processing of the equipment.

The ESG Board continues to improve its supply chain management strategy to capture our suppliers' initiatives and policies regarding modern slavery, cost reduction, ethical sourcing, and sustainable sourcing.

Misco review the sustainability statements of its main suppliers, ensuring they fit with our own vision and strategy.

Declaration and Sign Off

This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard and uses the appropriate Government emission conversion factors for greenhouse gas company reporting.

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements, and the required subset of Scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard.

This Carbon Reduction Plan has been reviewed and signed off by the board of directors.

Signed on behalf of Misco Technologies Ltd:


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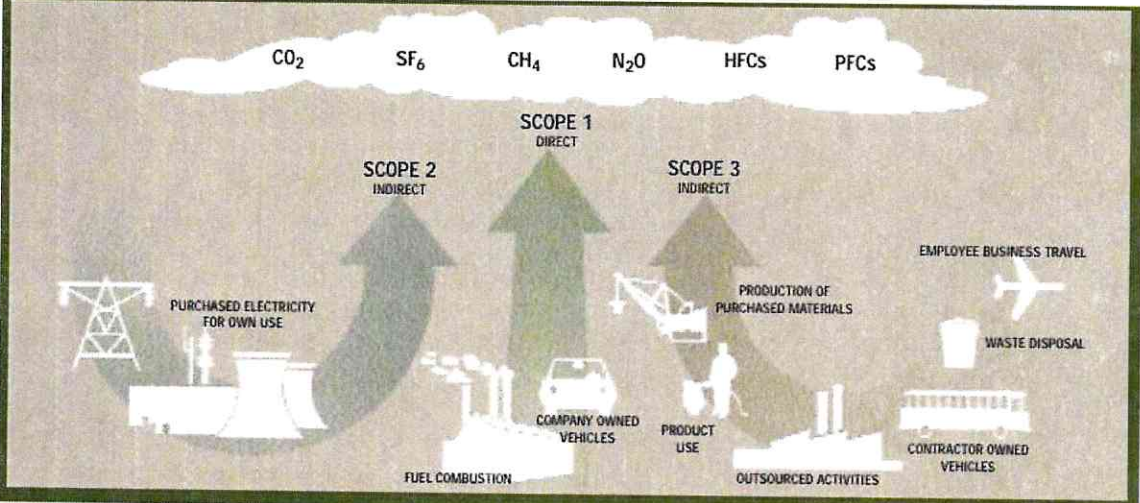
Name: Nathan Dorrington

Position: Operations Director

Date: 08 March 2024

APPENDIX – Overview of scopes

FIGURE 3. Overview of scopes and emissions across a value chain



Source: GHG Protocol Corporate Accounting and Reporting Standard

APPENDIX - Baseline Emissions Footprint

Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured.

Baseline Year: 2021
Additional Details relating to the Baseline Emissions calculations
Misco has analysed its emissions usage, otherwise known as its GHG inventory, by applying the principles of the revised edition of the World Resources Institute/ World Business Council for Sustainable Development’s GHG Protocol Corporate Accounting and Reporting Standard. This CRP fully reflects the requirements of the procurement policy note PPN06/21, including 5 of the defined 15 Scope 3 emissions.